

MEMORANDUM

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ADOPTED APRIL 23, 1992

TO: BOSTON REDEVELOPMENT AUTHORITY AND
THEODORE S. CHANDLER, ACTING DIRECTOR

FROM: HOMER RUSSELL, ASSISTANT DIRECTOR
URBAN DESIGN AND DOWNTOWN PLANNING

SUBJECT: REGULATORY FEES

SUMMARY: Request that the Authority establish and impose regulatory fees to compensate the BRA for the costs associated with development processing.

Over the years a number of charges for materials and services have been levied by the BRA and they include 121A fees, 121B fees, Zoning Commission fees, Bid Documents, Maps, Reproductions and Graphic Design Services.

Based on a document entitled "Fee Structure Report" prepared by staff in 1987, many fees were updated and increased. The introduction of certain new fees to defray the costs of development processing was not done at that time and would be consistent with the BRA's existing policies and procedures. Furthermore, if these regulatory fees are reasonably calculated on the basis of costs that the BRA may reasonably occur in the processing of a proposed project, and the proposed fees are used to defray those costs, then they meet the test for valid land use exactions. (A copy of the 1987 report is attached.)

In order to determine reasonable fees for development processing, the costs of processing thirteen projects were estimated using time management reports. In addition, several factors, including size, use (office or residential) and level of regulatory approval (PDA, LDA or neither) were evaluated. The most significant conclusions to be drawn from the analysis are that 1) implicit authority exists for the establishment of a development processing fee schedule; 2) most projects cost between \$15,000 and \$50,000 to process and unit costs average between 7.5¢ per square foot for office projects and 2.5¢ per square foot for residential projects; and 3) a flat fee or a fee based on square footage is preferable to an hourly fee.

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A proposed fee schedule for projects over 100,000 square feet, based on unit costs (cents per square foot), is outlined below.

PROJECT DESCRIPTION	UNIT COST
<u>New Non-Residential Use</u>	7.5¢ per building square foot
<u>New Residential</u> (excluding affordable housing)	2.5¢ per building square foot
<u>Rehabilitation</u>	2.5¢ per building square foot

Finally, several other cities, including New York, Dallas, Washington and Cambridge charge development processing fees comparable to those proposed.

An appropriate vote follows.

VOTED: That the Authority hereby establishes reasonable regulatory fees to compensate the BRA for the costs associated with development processing, said fees to be in accordance with the above Schedule of Charges.